Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006

Message Text

CONFIDENTIAL

PAGE 01 STATE 262475

60
ORIGIN L-03

INFO OCT-01 NEA-10 ISO-00 FBO-02 A-01 EB-07 /024 R

DRAFTED BY L/C:TTFHUANG:MB
APPROVED BY L:SMSCHWEBEL
L/C:FAKWIATEK
NEA/ARN:DREUTHER (DRAFT)
A/FBO:GFTWOHIE (DRAFT)
---------- 059189
R 222116Z OCT 76
FM SECSTATE WASHDC
TO AMEMBASSY DAMASCUS

C O N F I D E N T I A L STATE 262475

E.O. 11652: GDS

TAGS: PFOR, EFIN, EINV, CPRS, SY, US, OTRA (HUANG, THOMAS)

SUBJECT: U.S. PRIVATE AND OFFICIAL CLAIMS AGAINST SYRIA - PRELIMINARY DISCUSSIONS

REFS: (A) 75 STATE 305146, (B) DAMASCUS 15559 AND PREVIOUS, (C) DAMASCUS 6983

(SUMMARY: DEPARTMENT PROPOSES SENDING REPRESENTATIVE FROM WASHINGTON TO DAMASCUS TO INITIATE PRELIMINARY DISCUSSIONS ON U.S. PRIVATE AND OFFICIAL CLAIMS AGAINST SARG.)

1. REF (B) TRANSMITTED NOTE FROM SARG, AND REPORTED SARG HAD RAISED SYRIAN CLAIM AGAINST ESSO (EXXON) AND INQUIRED AS TO WHEN EXXON MIGHT RESUME NEGOTIATIONS WHICH WERE BROKEN OFF THE PREVIOUS YEAR. EMBASSY RECOMMENDED THAT IT WOULD BE TIMELY TO PRESENT SARG WITH ALL REMAINING U.S. PRIVATE AND OFFICIAL CLAIMS AGAINST SYRIA.

2. AT MEETING IN DEPARTMENT ON MARCH 24, 1976, BETWEEN AMBASSADOR MURPHY AND DEPARTMENT REPRESENTATIVES (L/C AND FBO) REGARDING PREPARATION OF DOCUMENTATION, PROCEDURES
CONFIDENTIAL

CONFIDENTIAL

PAGE 02 STATE 262475

AND HANDLING OF BOTH PRIVATE AND OFFICIAL CLAIMS AGAINST

Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006

Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006

SARG, DEPARTMENT NOTED THAT BOTH EXXON AND MOBIL HAD

OFFICIALLY REQUESTED, AND DEPARTMENT HAD AGREED, TO ESPOUSE THEIR CLAIMS THROUGH DIPLOMATIC CHANNELS AGAINST SARG. SIMILAR REQUESTS HAD ALSO BEEN RECEIVED FROM A COUPLE OF OTHER PRIVATE CLAIMANTS. IT WAS AGREED AT THE MEETING THAT USG SHOULD COMMENCE NEGOTIATIONS WITH THE SARG AS RECOMMENDED BY THE AMBASSADOR, THAT THE DEPARTMENT WOULD PREPARE ASAP THE NECESSARY DOCUMENTATION, AND TAKE APPROPRIATE ACTION ON OUTSTANDING PRIVATE AND OFFICIAL CLAIMS, IN ORDER TO OPEN NEGOTIATIONS.

3. DEPARTMENT ANTICIPATES THAT, IN ANY NEGOTIATIONS WITH THE SARG REGARDING PRIVATE CLAIMS, SARG WOULD RAISE ALL AVAILABLE COUNTERCLAIMS, PARTICULARLY AGAINST EXXON, AS NOTED ABOVE. ON THE BASIS OF PRESENTLY AVAILABLE DOCUMENTATION, DEPARTMENT IS UNABLE TO ANTICIPATE ALL FACTUAL AND LEGAL ISSUES THAT MIGHT ARISE OR BE RAISED BY SARG IN THE VARIOUS CASES. IN THE EXXON AND MOBIL CASES, DEPARTMENT HAS THE BARE STRUCTURE FOR FORMAL CLAIMS BUT LACKS INFORMATION ON THE REPORTED SARG COUNTERCLAIM AGAINST EXXON. IN MENHALL CASE, CLAIMANT HAS BEEN UNABLE TO SUPPLY SUPPORTING DOCUMENTARY PROOF BEYOND MERE ALLEGATION OF THE ESSENTIAL FACTS PERTAINING TO CANCELLED OIL CONCESSIONS. DEPARTMENT HAS BEEN REQUESTED BY CLAIMANT'S ATTORNEY FOR ASSISTANCE TO DEVELOP CASE AND ATTEMPT TO ACQUIRE PERTINENT DOCUMENTATION FROM CLAIMANT'S LOCAL ATTORNEYS IN DAMASCUS. LITIGATION OF THIS CASE HAS BEEN PENDING IN SYRIAN COURTS SINCE 1961. WHILE THE NUMBER OF CASES IS SMALL, THERE ARE NUMEROUS IMPONDERABLES INVOLVED. THERE ARE ALSO COMPLICATING FACTORS IN THAT EXXON AND MOBIL HAVE REQUESTED DEPARTMENT NOT TO RAISE THEIR CLAIMS FOR THE TAKING OF THEIR INTERESTS IN THE NATIONALIZATION OF IPC BY SARG. TEXACO HAS ALSO REQUESTED THE DEPARTMENT NOT TO BECOME INVOLVED IN ITS CLAIM CONCERNING NATIONALIZATION OF ERDOL.

4. AS EMBASSY IS AWARE, PRIMARY PURPOSE OF CLAIMS NEGOTIATIONS WITH THE SARG IS TO SETTLE U.S. CLAIMS FOR NATIONALIZATION OF PROPERTY OF U.S. CITIZENS IN ORDER TO CONFIDENTIAL

CONFIDENTIAL

PAGE 03 STATE 262475

REMOVE LEGAL CONSTRAINTS IMPOSED BY U.S. LAW ON ECONOMIC AND OTHER ASSISTANCE TO SYRIA, I.E., SECTION 620(E) OF THE 1961 FAA, AS AMENDED (HICKENLOOPER AMENDMENT). SECRETARY KISSINGER HAS DETERMINED THAT SUFFICIENT PROGRESS HAS BEEN MADE IN THE EFFORTS TO SETTLE THE NATIONALIZATION CASES TO AVOID APPLICATION OF THIS SECTION. FACTS MUST CONTINUE TO SUPPORT THIS DETERMINATION IF IT IS TO BE MAINTAINED.

Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006

Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006

5. IN VIEW OF PARA 3 A0OVE, DEPARTMENT BELIEVES THAT IT WOULD BE ADVANTAGEOUS FOR THE USG TO HOLD PRELIMINARY

DISCUSSIONS WITH THE SARG TO EXCHANGE VIEWS ON PROCEDURES, APPLICABLE LAW AND THE TIMETABLE FOR CONDUCT OF FORMAL NEGOTIATIONS ON OUTSTANDING PRIVATE AND OFFICIAL CLAIMS. OF PRIMARY IMPORTANCE FOR USG IS DEFINITION OF PARAMETERS OF NEGOTIATIONS, TO DETERMINE SPECIFIC ISSUES WHICH SARG MIGHT WISH TO DISCUSS, SEEK AGREEMENT ON ISSUES ON WHICH BOTH GOVERNMENTS MIGHT AGREE, AND TO MINIMIZE THE EXTENT AND QUANTITY OF THE TECHNICAL AND LEGAL PROOF THAT USG MIGHT BE REQUIRED TO ADDUCE. ON THE BASIS OF THE RESULTS OF THESE PRELIMINARY DISCUSSIONS, USG WILL THEN FORMULATE ITS NEGOTIATING TACTICS AND STRATEGY AND THE PREPARATION OF NECESSARY DOCUMENTATION ON THE VARIOUS CONTENTIOUS ISSUES.

6. DEPARTMENT IS PREPARED TO SEND THOMAS T. F. HUANG (L/C), DEPUTY ASSISTANT LEGAL ADVISER FOR INTERNATIONAL CLAIMS, TO PARTICIPATE IN THE PROPOSED PRELIMINARY DISCUSSIONS. HE HAS PLANE RESERVATIONS TO DEPART WASHINGTON ON NOV 9 AND TO ARRIVE IN DAMASCUS NOV 11 FOR THIS PURPOSE. HUANG RECENTLY NEGOTIATED THE AGREEMENT ON PRIVATE CLAIMS OF U.S. CITIZENS AGAINST EGYPT. DETAILS OF ETA WILL BE PROVIDED LATER. SUBJECT TO EMBASSY'S APPROVAL, HUANG WOULD COME NOV 11 AND STAY IN DAMASCUS FOR ABOUT TWO WEEKS. DEPARTMENT WOULD APPRECIATE EMBASSY MAKING RESERVATIONS AT APPROPRIATE HOTEL FOR SINGLE ROOM WITH BATH FOR PERIOD NOV 11-23.

7. DEPARTMENT WOULD APPRECIATE EMBASSY'S VIEWS SOONEST. KISSINGER

CONFIDENTIAL

NNN

Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006

Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: CLAIMS, PETROLEUM INDUSTRY, DIPLOMATIC DISCUSSIONS
Control Number: n/a
Copy: SINGLE
Draft Date: 22 OCT 1976
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: ElyME
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1976STATE262475
Document Source: CORE
Document Unique ID: 00
Drafter: TTFHUANG:MB
Enclosure: n/a
Executive Order: GS
Errors: N/A
Film Number: D760398-1105
From: STATE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1976/newtext/t19761022/aaaaasvv.tel
Line Count: 146
Locator: TEXT ON-LINE, ON MICROFILM
Office: ORIGIN L
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: 75 STATE 305146, 76 DAMASCUS 15559
Review Action: RELEASED, APPROVED
Review Authority: ElyME
Review Comment: n/a
Review Content Flags:
Review Date: 22 JUN 2004
Review Event:
Review Exemptions: n/a
Review History: RELEASED <22 JUN 2004 by izenbei0>; APPROVED <22 OCT 2004 by ElyME>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
04 MAY 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: U.S. PRIVATE AND OFFICIAL CLAIMS AGAINST SYRIA - PRELIMINARY DISCUSSIONS
TAGS: PFOR, EFIN, EINV, CPRS, OTRA, SY, US, (HUANG, THOMAS)
To: DAMASCUS
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006

Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006